

CHAPTER 3I

EMERGENCY TELEPHONE USERS' SURCHARGE

HIGHLIGHTS

- Purpose Funds local government costs for implementation and operation of the 9-1-1 emergency telephone system.
 - Tax Base All charges for (1) intrastate telephone communication services in this state, and (2) Voice over Internet Protocol (VoIP) service that provides access to the 9-1-1 emergency system by utilizing the digits 9-1-1 by any service user in this state.
 - Tax Rate 0.50% (effective November 1, 2006 through December 31, 2010).
 - Revenue

2008-09 (Actual)	\$108 million
2009-10 (Estimate)	\$107 million
2010-11 (Estimate)	\$107 million
 - Administration Board of Equalization (BOE) and Office of the State Chief Information Officer (OCIO)
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1. TAX OVERVIEW

In 1972, the Legislature passed a measure calling for statewide implementation of a 9-1-1 emergency telephone system. The installation and operation of the system is funded by the Emergency Telephone Users' surcharge applied to intrastate (within California) telephone calls and Voice over Internet Protocol (VoIP) service that provides access to the 9-1-1 emergency system by utilizing the digits 9-1-1 by any service user in the state. The surcharge was established in 1976, and the system was completed in December 1985 for wireline-enhanced 9-1-1. Current revenues pay for system enhancements and operational costs.

2. TAX RATE

The surcharge rate varies, depending on funding needs; however, it has a floor of 0.5% and a cap of 0.75%. Each year, OCIO determines the rate it estimates will produce sufficient revenue to fund the current fiscal year's costs for the 9-1-1 program. If warranted, OCIO proposes a change in the surcharge rate for the following period.

CHAPTER 3I
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Charges for lifeline services and for services from public coin-operated telephones are exempt from the surcharge.

3. REVENUE

Surcharge revenues accrue to a special 9-1-1 fund. The surcharge raised \$108 million in fiscal year (FY) 2008-09 and is expected to raise \$107 million in FY 2009-10 at the rate of 0.50%.

4. ADMINISTRATION

The 9-1-1 tax is collected from consumers by the telephone companies and is remitted to BOE. Additionally, every California consumer who purchases intrastate telephone or VoIP service from a service supplier that does not collect the surcharge is required to register and pay those funds to the BOE.

The Public Safety Communications Division of OCIO establishes minimum technical and operational standards for local systems and approves the funding necessary to implement and operate each system.

5. CODE

Revenue and Taxation Code Sections 41001-41176